

Jurisdiction Reports

Prepared for

Australasian Council of Public Accounts
Committees

ACPAC Conference

Queensland, April 2017



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Vicki Dunne MLA (Chair), Michael Petterson MLA (Deputy Chair), Bec Cody MLA,
Alistair Coe MLA

ACT Standing Committee on Public Accounts
Jurisdictional Activity Report
for the

Australasian Council of Public Accounts Committees (ACPAC)
14th Biennial Conference
Brisbane, Queensland
20–21 April 2017

ACT Standing Committee on Public Accounts

The ACT Standing Committee on Public Accounts (the Committee) is established by Assembly resolution and governed by standing orders. The current Committee was appointed in December 2016 for the Ninth Assembly of the ACT Legislative Assembly elected in October 2016.

Its role and responsibilities for the Ninth Assembly is to:

- (1) examine:
 - (a) the accounts of the receipts and expenditure of the Australian Capital Territory and its authorities, and
 - (b) all reports of the Auditor-General which have been presented to the Assembly
- (2) report to the Assembly any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Assembly should be directed
- (3) inquire into any question in connection with the public accounts which is referred to it by the Assembly and to report to the Assembly on that question.

There was a change to the Committee's responsibilities in the Ninth Assembly due to a range of portfolio responsibility areas – principally in the Chief Minister and Treasury portfolios – being allocated to a new committee so as to allow the PAC to concentrate on its responsibilities in overseeing and examining report from the Auditor-General.

In addition under the *Auditor-General Act 1996*, the Committee has the following roles and responsibilities:

- a veto over the appointment of the Auditor-General (section 8)
- receive a special report from the Auditor-General containing information considered too sensitive to be provided in a report to the Legislative Assembly (section 19)
- advise the Treasurer on the budget for the Auditor-General (sections 22, 22A)
- request an independent auditor to conduct a performance audit of the Auditor-General's operations (section 29), and
- be consulted over the appointment of an acting Auditor-General (schedule 1.5).

The Committee also has a role in some statutory appointments and examining relevant annual reports referred to it, particularly those from Officers of the Legislative Assembly including the Auditor-General and the Ombudsman.

Membership -

Mrs Vicki Dunne MLA	Chair
Mr Michael Pettersson MLA	Deputy Chair
Ms Bec Cody MLA	Member
Mr Alistair Coe MLA	Member
Andrew Snedden	Secretary

Some highlights of ACT PAC Inquiries since the 13th ACPAC Conference in 2015.

- ***Review of Auditor-General's Report No. 4 of 2014: Gastroenterology and Hepatology Unit. Canberra Hospital***

This inquiry followed a Public Interest Disclosure (PID) made to the Auditor-General which alleged maladministration of outpatient services in this area of Canberra's major public hospital. The PID was referred to the Director-General of the ACT Health Directorate for investigation and the matter was subsequently referred back to the Auditor-General, who then investigated the PID. This audit resulted in no finding of maladministration but did express concerns which resulted in conduct of a performance audit by the Auditor-General.

The Committee decided in this case not to do a full inquiry into the report and, following an Auditor-General's briefing on improvements effected by the health agency, the Committee recommended the Government provide updates to the Legislative Assembly on the progress of implementing the Auditor-General's recommendations.

The Auditor-General's report is available at:

<http://www.audit.act.gov.au/auditreports/reports2014/Report%20No%204%20of%202014%20Gastroenterology%20and%20Hepatology%20Unit,%20Canberra%20Hospital.pdf>

The Committee's report is available at:

http://www.parliament.act.gov.au/_data/assets/pdf_file/0007/788542/8th-PAC-19-AG-4-of-2014-Gastroenterology-and-Hepatology-Unit.pdf

- ***Review of Auditor-General's Report No. 5 of 2013: Bushfire Preparedness***

This audit report followed a long period of implementation of changes and responses developed following the disastrous Canberra bushfires of January 2003.

The Committee held a detailed inquiry of its own on the Auditor-General's inquiry and report and made a report with 38 recommendations that covered a large range of issues.

The Committee stressed that its recommendations were directed to ensuring that – to the extent possible – government and emergency services continually prepare and implement their arrangements so as to ensure no attitude of complacency develops toward bushfires, a matter of relevance not just to the ACT, but across the nation.

The Auditor-General's report is available at:

<http://www.audit.act.gov.au/auditreports/reports2013/Report%20No%205%20of%202013%20Bushfire%20Preparedness.pdf>

The Committee's report is available at:

http://www.parliament.act.gov.au/_data/assets/pdf_file/0011/793829/8th-PAC-19-AG-5-of-2013-Bushfire.pdf

- ***Review of Auditor-General Report No. 1 of 2015: Debt Management***

In this report, the Committee recommended the ACT Government give further consideration to a whole-of-government approach to debt management—specifically, in the first instance it undertake a strategic whole-of-government review of debt management arrangements as a means of determining a framework for such an approach and its subsequent implementation, and that the Government inform the Legislative Assembly as to the parameters for its review of existing debt management processes

The Auditor-General's report is available at:

<http://www.audit.act.gov.au/auditreports/reports2015/Report%20No%201%20of%202015%20Debt%20Management.pdf>

The Committee's report is available at:

http://www.parliament.act.gov.au/data/assets/pdf_file/0003/820794/8th-PAC-22-AG-1-2015-Debt-Mgt.pdf

- ***Review of Auditor-General's Report No. 1 of 2016: Calvary public hospital financial and performance reporting and management***

This inquiry and report was unusual, as the Committee proceeded in a slightly unorthodox, but 'pre-emptive' way to adjust and anticipate its usual approach to inquiries by commencing and conducting an inquiry before the Committee actually received a government submission on its inquiry.

The Committee made a number of recommendations in anticipation that the government would not have time to comment on whether or not it had accepted the Committee's recommendations in whole or in part before the term of the Assembly ran its course.

The Committee believed that by nominating a reporting date of the last sitting day in August 2017 (a year hence); in effect a recommendation to the next government that it should report to the Assembly as to what the government of the day had done to address the Committee's findings.

It was noted by the Committee Chair that, by analyzing and commenting on a summary of actions to date (either complete or in progress) proposed actions, implementation time lines and where actions have yet to commence, the Committee had acted to address an important issue of administration which could not be subject of a normal timeline inquiry due to the imminent dissolution of the legislature (and the Committee).

The Auditor-General's report is available at:

<http://www.audit.act.gov.au/auditreports/reports2016/Report%20No.%201%20of%202016%20Calvary%20Public%20Hospital%20Financial%20and%20Performance%20Reporting%20and%20Management.pdf>

The Committee's report is available at:

http://www.parliament.act.gov.au/data/assets/pdf_file/0006/871917/8th-PAC-27-AG1-2016.pdf

- **2016 Strategic Review of the ACT Auditor-General—Recommendations of Report**

The focus of the committee's report was a response to an Assembly reference of June 2015 to consider and report on the 2016 strategic review of the Auditor-General. Specifically, the committee was asked to consider and make recommendations: (1) regarding the establishment of a term of appointment for the ACT Auditor-General to be included in the Auditor-General Act 1996; and (2) on any other matters raised in the report of the 2016 strategic review.

In its report, the Committee made six recommendations: three pertaining to the reinstatement of an appointment term in the Auditor-General Act, and three pertaining to other matters in relation to the Auditor-General's role.

The Committee noted that the principle of fixed non-renewable terms for office-holders is well supported in public administration literature, and it is an important accountability mechanism for safeguarding the independence of designated office holders in both the private and public sectors.

The Committee's report is available at:

http://www.parliament.act.gov.au/data/assets/pdf_file/0020/910055/8th-PAC-29.pdf

- **Review of Auditor-General Report No. 6 of 2015: Bulk Water Alliance**

The scope of this audit report focused on the ACT water supply agency (ACTEW) management of an alliance contracting arrangement for a major construction phase of water supply infrastructure augmentation in the ACT.

The audit did not include consideration of the appropriateness or otherwise of ACTEW, or ACT Government, decisions to proceed with the water infrastructure projects.

The concept of project alliancing underpinned the bulk water alliance and was the focus of the audit and the Committee review. The Committee inquiry confirmed that alliancing can provide real benefits in the delivery of public infrastructure and has a place in the suite of other established procurement methods that are available to governments.

In considering the audit report and its findings, the Committee made comment across five areas, specifically: development of the audit objective and scope, suitability of the alliance model, the bulk water alliance projects, communication matters, and lessons learned.

The Committee noted this audit was important for two major reasons. First, the use of project alliancing by Territory entities is not commonplace; that projects suitable for this form of procurement are of a long-term nature; and, as a delivery methodology, they are complex and technical. Accordingly, the audit documents a series of valuable lessons for any current and future alliance contracting arrangements that may be entered into by an entity on behalf of the territory.

The Auditor-General's report is available at:

<http://www.audit.act.gov.au/auditreports/reports2015/Report%20No%206%20of%202015%20Bulk%20Water%20Alliance.pdf>

The Committee's report is available at:

http://www.parliament.act.gov.au/_data/assets/pdf_file/0004/913351/8th-PAC-32-AG-6-2015.pdf

The ACT PAC in the ACT Legislative Assembly Ninth Assembly

- ***Ongoing, new and current inquiries***

In relation to matters continuing from the last (8th) Assembly PAC, the ACT PAC plans to continue its oversight of matters arising from a resolution of the previous Committee to inquire into all tabled quarterly progress reports on the Implementation of the ACT Loose-fill Asbestos Insulation Eradication Scheme and report to the Assembly.

The ACT PAC's last report on this matter is at:

http://www.parliament.act.gov.au/_data/assets/pdf_file/0003/912063/8th-PAC-30-Fluffy-Qtrly-rptng.pdf

In March 2017, The ACT PAC resolved to inquire into two matters the subject of Auditor-General performance audits.

First, an inquiry into matters raised in the **Auditor-General's Report No 7 of 2016** on land acquisitions undertaken by the ACT Land Development Agency, the audit report for which can be found at:

<http://www.audit.act.gov.au/auditreports/reports2016/Report%20No.%207%20of%202016%20Certain%20Land%20Development%20Agency%20Acquisitions.pdf>

Secondly, the ACT PAC will inquire into matters raised by **Auditor-General's Report No 1 of 2017** in relation to how Worksafe ACT is managing its regulatory responsibilities for the demolition of loose-fill asbestos contaminated houses in the ACT.

The audit report in relation to this inquiry is at:

<http://www.audit.act.gov.au/auditreports/reports2017/Report%20No%201%20of%202017%20WorkSafe%20ACT%E2%80%99s%20management%20of%20its%20regulatory%20responsibilities%20for%20the%20demolition%20of%20loose-fill%20asbestos%20contaminated%20houses.pdf>

Information on all Committee inquiries, including terms of reference, submissions, transcripts and reports are available at:

<http://www.parliament.act.gov.au/in-committees/standing-committees-current-assembly/standing-committee-on-public-accounts>

3 April 2017



COMMONWEALTH JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT (JCPAA)

Committee Activity Report to the Australian Council for Public Accounts Committees Conference 2017

April 2017 Update

Background

- The Committee's work can be summarised into six key areas:
 - Conducting inquiries based on Auditor-General reports
 - Overseeing the Australian National Audit Office (ANAO)
 - Overseeing the Public Governance, Performance and Accountability Act 2013 (PGPA Act)
 - Overseeing the Parliamentary Budget Office (PBO)
 - Scrutinising Defence acquisition and sustainment
 - External engagement and communication

Workload

- Under the *Public Accounts and Audit Committee Act 1951*, the Committee is required to examine all Auditor-General reports. To date the Committee of the 45th Parliament has examined 68 Auditor-General reports and chosen to initiate 11 inquiries based on 15 of the reports.
- The Committee is continuing its oversight into the development of the Commonwealth Performance Framework (CPF), with a current inquiry and having tabled two reports in the previous Parliament.

Appointment of New Auditor-General

- Mr Grant Hehir was appointed as the new Auditor-General, commencing a 10 –year term on 11 June 2015.

Appointment of a new Parliamentary Budget Officer

- Under the *Parliamentary Service Amendment (Parliamentary Budget Officer) Act 2011* (PBO Act), the Committee oversees the operations and resourcing of the Parliamentary Budget Office. This includes approving the appointment of the Parliamentary Budget Officer. The Committee approved the re-appointment of Mr Phil Bowen as Parliamentary Budget Officer for a further 12 months ending on 22 July 2017.
- The selection of a new Parliamentary Budget Officer is underway in accordance with the PBO Act. The selection panel will shortly inform the Committee of its selection. After which, the committee will write to the Presiding Officers with the results of their consideration.

Independent Review of the PBO

- The PBO Act gives the Committee the power to initiate a review of the PBO after each general election. Since the PBO was established there have been two elections. After the first election, the ANAO conducted an audit into the PBO. The Committee of the 44th Parliament then conducted a follow-up inquiry into the PBO based on the ANAO audit. After the second election in 2016 the Committee of the 45th Parliament initiated an independent review. The review panel was chaired by Dr Ian Watt, former Secretary of the Department of Prime Minister and Cabinet. Mr Barry Anderson, former deputy director of the US Congressional Budget Office was also a member of the review team. The Report of the



Independent Review Panel was published the report and tabled in the parliament in March 2017. The Committee will continue to consider that report as part of its ongoing oversight of the PBO.

Oversight of Defence Acquisition and Sustainment

- Every year the Committee scrutinises the Major Projects Report (MPR) and endorses the guidelines within which the MPR is drafted. The MPR provides review and analysis of the progress of selected major Defence acquisition projects managed by Defence.
- The Committee has also increased its focus on sustainment oversight. As such, in parallel to the MPR which examines acquisition, the Committee is conducting an inquiry into sustainment expenditure. This inquiry was re-adopted after it lapsed due to the prorogation of the 44th Parliament.

Commonwealth Performance Framework

- The Committee is heavily involved in ensuring the Commonwealth Performance Framework is developed effectively. Some of the Committee's oversight role is specific to the legislation. For example, s46(4) of the PGPA Act requires the Committee's approval before any rules are made to prescribe annual report requirements for Commonwealth entities. In addition, s112(1) requires the Committee to be consulted on an independent review of the PGPA Act's rules and operation. This review is scheduled to occur as soon as is practicable after 1 July 2017—three years after the commencement of s112(1)—under the direction of the Finance Minister.
- The Framework requires entities to produce Corporate Plans, Portfolio Budget Statements, Annual Performance Statements, and Annual Reports.
- In the 44th Parliament the Committee approved the Public Governance, Performance and Accountability Amendment (Corporate and Commonwealth Entity Annual Reporting) Rule 2016, which now applies to the annual reporting requirements for all Commonwealth entities.

International Engagement

- In September 2015 the Committee conducted a Parliamentary Committee Visit to New Zealand and Fiji. The visit investigated four areas relevant to the Committee's current work and responsibilities:
 - public sector performance and accountability
 - public sector reform
 - public sector oversight
 - capacity building and international engagement.
- Two recommendations were made in the Committee's report on the visit:
 - Recommendation 1: The Committee recommended that the Department of Prime Minister and Cabinet and the Australian Public Service Commission examine the New Zealand Better Public Services initiative and the Performance Improvement Framework and report back to the JCPAA on whether these reforms could be adopted by the Australian Public Service.
 - Recommendation 2: The Committee recommended that the Australian Bureau of Statistics examine the use of data in New Zealand and report back to the JCPAA on whether this approach could be adopted in Australia.
- The Government response to the first recommendation indicated that the New Zealand reforms could not easily be adapted to our federal system of Government. Regarding the second recommendation, the implementation of a systemised data approach similar to New Zealand would significantly enhance the ability of the public sector to safely provide insights and would also be expected to improve the measurement of policy and program effectiveness.



Jurisdiction Report - NSW Public Accounts Committee April 2017

The NSW Public Accounts Committee comprises the following NSW Legislative Assembly Members: Mr Bruce Notley-Smith MP (Chair, Liberal Party); Mr Mark Taylor MP (Deputy Chair, Liberal Party); Mr Stephen Bromhead MP (The Nationals); Mr Michael Daley MP (Labor Party); Mr Lee Evans MP (Liberal Party); and Mr Greg Piper MP (Independent).

In accordance with established practice, the Committee in the current Parliament has continued to review performance audit reports by examining and following up recommendations made by the NSW Auditor-General; conducting its own inquiries; conducting a veto hearing for the appointment of a new Auditor-General; and preparing for the quadrennial statutory review of the NSW Audit Office.

Examination of the Auditor-General's performance audit reports

The Committee systematically examines reports of the Auditor-General twelve months after being tabled in Parliament. All agencies subject to recommendations in the report are requested to provide a submission outlining their response, including any actions taken. Where the Committee is not satisfied with the response, the Chair writes to the relevant agencies seeking additional information. In some cases, agencies are also invited to provide further elaboration at a public hearing.

In the current Parliament, the Committee has tabled two reports on the examination of the Auditor-General's performance audits. These reports examined the following agency programs and services:

- *Managing Contaminated Sites*
- *Making the Most of Government Purchasing Power – Telecommunications*
- *Use of Purchasing Cards and Electronic Payment Methods*
- *Effectiveness of the New Death and Disability Scheme*
- *Regional Road Funding – Block Grant and REPAIR Programs*
- *NSW State Emergency Service Management of Volunteers*
- *Fitness of Firefighters*
- *Improving Legal and Safe Driving Among Aboriginal People*
- *Management of Casual Teachers*
- *Government Advertising 2012-13*
- *Cost of Alcohol Abuse to the NSW Government*
- *Learning Management and Business Reform Program*
- *Westconnex: Assurance to the Government*
- *Security of Critical IT Infrastructure*
- *Vocational Education and Training Reform*
- *Managing Length of stay & unplanned readmissions in NSW public hospitals*
- *Country Towns Water and Sewerage Program*

- *Large construction projects: Independent assurance*
- *Government Advertising 2015*
- *Implementing performance audit recommendations*
- *Efficiency and effectiveness in tax collection.*

In its reports, the Committee made a series of recommendations addressed to various Government agencies, highlighting areas where further work was required to implement recommendations made by the Auditor-General.

Self-referred inquiries

The Committee has initiated two additional inquiries in the current Parliament. The first of these, completed in October 2016, examined the management of NSW public housing maintenance contracts. The inquiry was established to address complaints about response delays in requests for repairs and to resolve questions about the quality of repair and maintenance work carried out.

While the Committee acknowledged that there appear to be positive moves to improve administrative systems and delivery mechanisms to assist tenants and contractors, it found that further improvements should be made to document performance against agreed targets, as well as providing client satisfaction ratings for the work undertaken.

The Committee also recommended a series of additional measures to improve communication between the NSW Government, tenants and contractors to improve the quality of maintenance. Due to the recent introduction of new maintenance contractual arrangements, the Government was asked to report back to the Committee on steps taken to effect these improvements twelve months after the tabling of the report.

The second inquiry undertaken by the Committee, launched in February 2017, is examining the management of health care delivery in New South Wales. Submissions are due at the end of April, with public hearings scheduled later in the year.

The Committee is looking at how the current delivery system performs against measurable targets, accompanied by comprehensive data collection, monitoring and reporting. This includes the adequacy of the provision of timely, accurate and transparent performance information to patients, clients, health providers and health system managers.

Other developments

New Auditor-General

After the resignation of the former Auditor-General, Mr Grant Hehir following his appointment as Commonwealth Auditor-General, the Committee welcomed Ms Margaret Crawford as NSW Auditor-General in March 2016. The Committee has established a good working relationship with the Auditor-General and receives regular briefings on recently tabled audits and other significant developments affecting the Audit Office of NSW.

The Committee is also apprised of new audits as they are commenced and works collaboratively to ensure that adequate scrutiny is applied to agencies to ensure that audit recommendations are met and adhered to in a timely fashion.

The Parliamentary Budget Office (PBO)

Amendments made to the *NSW Parliamentary Budget Officer Act 2010*, provide the Public Accounts Committee with a monitoring and review role in relation to the NSW Parliamentary Budget Office (PBO). The PBO, established six months prior to NSW elections, provides budget impact statement policy costings in the lead up to the elections and reports to the Committee on operational arrangements and activities of the Office, with recommendations for suggested improvements.

The Committee has instigated a new process, whereby PBO reports submitted to the Public Accounts Committee after an election are now republished and tabled as separate Committee reports. This ensures that a Government response to the recommendations is triggered within six months of tabling, ensuring greater accountability for recommendations made.

External review of the Audit Office

Section 48A of the *NSW Public Finance and Audit Act* requires the Committee to commission a review of the Audit Office at least once every four years, with the report of the review forwarded to the Committee and tabled in Parliament. External reviews of the Audit Office have been commissioned since 1996, most recently in 2013.

The Committee is currently preparing for the 2017 review and will conduct a selective tender process to identify an appropriate reviewer. This will involve determining appropriate terms of reference, targeting suitable potential reviewers and setting timelines and parameters for the conduct of the review.

Further information about all of the Committee's activities can be found on its webpage: www.parliament.nsw.gov.au/publicaccounts



Finance and Expenditure Committee

Jurisdiction report

Australasian Council of Public Accounts Committees 2017

Conference Brisbane, Australia

(20 - 21 April 2017)

Summary of the committee's role

New Zealand's Finance and Expenditure Committee (FEC) is one of 13 subject select committees established at the commencement of each Parliament. The FEC currently has 11 members, five from the National Party, three from the Labour Party, and one member each from the ACT Party, the Green Party, and the New Zealand First Party. The Chair is a Government member, and the committee has a Government majority.

The Standing Orders of the House of Representatives define the FEC's subject area as the auditing of the financial statements of the Government and its departments, and Government finance, revenue and taxation. The organisations that administer or oversee Government policy in this area are The Treasury, the Inland Revenue Department, the Controller and Auditor-General, and the Reserve Bank of New Zealand.

While the FEC's functions are broadly similar to those of the other 12 subject committees, it takes a leading role in the parliamentary oversight and scrutiny of proposed and actual Government expenditure, and of the annual performance of Government departments, Crown entities, public organisations, and State enterprises. It also considers proposed legislation in its area of responsibility (primarily, but not exclusively, taxation legislation). Standing Orders allow the committee, like other subject committees, to initiate inquiries into matters related to its subject area.

The committee co-ordinates the examination of the Budget and the annual review examination processes. Standing Orders refer all Estimates of appropriations and Annual Reviews to FEC. The committee may consider these itself, or to refer them to another select committee if the subject matter is best suited to that committee.

Similarly, while all reports of the Controller and Auditor-General are referred to FEC, if a report is primarily within the terms of reference of another select committee, FEC may refer the report to that committee for consideration.

Key Achievements/Reports

The committee has just concluded and reported back to the House on the 2015/16 annual review process. This cycle it held substantive hearings into The Treasury, the Reserve Bank, the Earthquake Commission, KiwiRail, and Ōtākaro Limited (which is responsible for Christchurch earthquake rebuild projects) and in May it will begin to consider the 2017/18 Estimates of appropriations.

During the past year, the committee has also considered and reported back to the House on 5 taxation bills; 5 reports of the Reserve Bank of New Zealand, 4 International treaty examinations. and 4 reports from the Office of the Auditor-General.

The following is a summary of some of the major items of business the committee has considered.

Notable legislative achievements:

Taxation (Annual Rates for 2016–17, Closely Held Companies, and Remedial Matters) Bill

This large and wide-ranging bill proposed a large number of technical changes to the tax rules. The aim was to improve, strengthen, and update tax rules so they continue to work well for taxpayers and the Government.

The committee received 35 submissions on the bill. They were mainly from banks, financial service providers, and accountancy and corporate law firms. As a result of the submissions, and with assistance from its Inland Revenue and independent advisers, the committee recommended that the House make numerous amendments to the bill.

Among these were:

- To include a transitional rule for look-through companies. This would allow those companies that will lose their look-through status as a result of the changes to the eligibility criteria to be able to transition to ordinary companies without immediate tax consequences.
- Simplifying the tax rules around debt remission, involving the extinguishing of a borrower's or debtor's liability by a creditor.

The committee's amendments to the bill were agreed to by the House, and the bill received the Royal Assent on 30 March 2017.

Taxation (Transformation: First Phase Simplification and Other Measures) Bill

This bill was part of a staged roll-out of the Inland Revenue Department's Business Transformation programme that, over time, will reform the department's business practices and modernise the tax system. It aimed to simplify tax legislation by removing

references to outdated means of communication. It also allows for future developments in communication technology to provide for the electronic filing of tax returns.

The committee received 12 submissions, mainly from banks, accountancy firms and corporate law firms. As a result of the submissions and with assistance from its Inland Revenue and independent advisers, The committee recommended the House make numerous amendments to the bill. Among these were:

- A new rule that shifts the point at which employment income is recognised under an employee share scheme. Under the bill as introduced, large employers (those whose PAYE obligations exceed \$500,000 each year) could have problems meeting the requirements for timely filing of the employer monthly schedule.
- That employers need only focus on arrangements that are directly between the employer and the employee. For example, the obligation to disclose via the PAYE system the value of share benefits received by former employees should remain with the former employee, rather than with the employer.

The committee's amendments were agreed to by the House. The bill was passed into law on 2 June 2016.

Notable financial scrutiny achievements:

Budget Policy Statement and Half-Year Economic and Fiscal Update, February 2017

The Minister of Finance's Budget Policy Statement (BPS) sets out the Government's broad plans for the Budget in May 2017 and beyond. It is based on the Treasury's forecasts about the New Zealand's economic and fiscal situation in its Half-Year Economic and Fiscal Update.

The committee hears evidence from public submitters, and then the Minister attends the committee examination of the BPS and sets out the Government's main priorities for the upcoming fiscal year. For 2017 these are responsibly managing public finances, building a more productive and competitive economy, improving public services within tight financial constraints, and rebuilding Christchurch and responding to the Kaikōura earthquakes.

Under Standing Orders, the committee must report on the BPS with 40 days after it has been presented. The BPS and the committee's report are then debated in the House.

Monetary Policy Statement, February 2017

The Reserve Bank of New Zealand controls inflation through adjustments to the Official Cash Rate (OCR) which influences interest rates. The OCR is reviewed on 8 scheduled occasions during the year, and the bank releases quarterly Monetary Policy Statements. (MPS)

In the February MPS the Reserve Bank decided to leave the OCR unchanged at 1.75 percent. The MPS noted that the global outlook has improved, although surplus capacity in many advanced economies and rising geopolitical uncertainty pose significant challenges.

Under Standing Orders the MPS is referred to the House. By convention the Finance and Expenditure Committee conducts the close scrutiny of the MPS, with the Governor of the Reserve Bank attending the committee on the day the MPS is released to outline the reasons for the OCR decision and to answer members' questions about the MPS.

Financial Stability Report, December 2016

The Reserve Bank is required to report twice a year on the soundness and efficiency of New Zealand's financial system.

The November 2016 report indicated that:

- The financial system remains sound and continues to operate effectively. The banking system has strong capital and funding buffers that are above regulatory requirements, and it remains profitable by international standards.
- Globally, GDP has been subdued, despite extremely accommodative monetary policy in a number of countries. Financial markets have remained volatile due to heightened political uncertainty.
- The recent 7.8 Kaikoura earthquake in the South Island is not likely to present a risk to financial stability, with the main impact likely to be on the insurance sector. The insurance sector as a whole appears well positioned to meet related claims.

This report is not automatically referred to the committee by the House. Instead, the committee facilitates this examination through its inquiry function. By convention the Governor of the Reserve Bank attends the hearing. The committee endeavours to report to the House within the same calendar month

Controller and Auditor-General reports:

Over the last 18 months the committee's interest in the oversight of the public expenditure going into the Christchurch city rebuild following 2010/11 earthquakes has been aided by four Auditor-General reports. These reports comprised the following:

- A follow up audit from 2013 on how the Earthquake Commission is managing the Canterbury home repair programme.
- A follow up audit from 2013 of the arrangements to repair pipes and roads in Christchurch
- How the governance and accountability for Christchurch rebuild projects is working in practice
- Assessing the effectiveness and efficiency of the Canterbury Earthquake Recovery Authority:

For each of these reports, the committee heard oral evidence from the Auditor-General and produced narrative reports expressing its views on matters the Auditor-General has brought to the committee's attention.



LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

13TH Assembly

Public Accounts Committee

ACPAC 2017

COMMITTEE REPORT

Scope of Committee

The PAC examines the accounts of the receipts and expenditure of the Northern Territory, and each statement and report tabled in the Legislative Assembly by the Auditor-General, pursuant to the *Financial Management Act* and the *Audit Act*. The Committee may inquire into and report on any question relating to the public accounts of the Northern Territory referred by the Legislative Assembly, the Administrator, or a Minister. In addition, the Committee is empowered to self-reference and, pursuant to Standing Orders, may inquire into and report on any matters within the executive authority of Ministers of the Territory.

Composition

The Committee comprises three Government members including Chair Mrs Kate Worden MLA, Mr Tony Sievers MLA, and Mr Paul Kirby MLA; one Opposition member Mrs Lia Finocchiaro MLA; and two Independent members Deputy Chair Mr Terry Mills MLA, and Mr Yingiya Mark Guyula MLA.

The NT had a general election in August 2016, with the current PAC being established in October.

Program of Work

1. The PAC has continued to review Auditor-General's reports. This includes:
 - (a) Briefings from the Auditor-General after tabling to identify issues and agencies for follow-up
 - (b) Evidence gathering as follow up on issues raised in the latest and previous Auditor-General's reports and
 - (c) Reporting to the Legislative Assembly on the outcome of the reviews of the Auditor-General's reports.
2. The previous Committee completed and reported on a self-referred inquiry into Housing Repairs and Maintenance on Town Camps in May 2016.
3. In June 2016 the Committee tabled its annual report to the Legislative Assembly which included the outcome of briefings from the Auditor-General and issues of interest or concern to the Committee including performance reporting, Homelands funding, government travel expenditure, correctional industries and the Palmerston Regional Hospital project.
4. Since the General Election in August 2016, the Committee has held hearings on the development of the Palmerston Regional Hospital and management of major infrastructure projects.
5. In February 2017 the Committee commenced an inquiry into Taxi Licensing and Subleasing which was referred by the Assembly.

Proposed Reform

The Select Committee on Opening Parliament to the People has recommended that the Assembly adopt a system of two portfolio scrutiny committees that would replace existing standing committees, including taking on the PAC role for their portfolios. Estimates would continue as a separate committee. The Assembly is still to consider the Committee's recommendations.

ACPAC

In April 2016, the PAC hosted the ACPAC mid-term meeting in Alice Springs.

The NT PAC secretariat has been hosting a quarterly telephone conference between ACPAC secretariats to discuss current issues for PACs.

Mrs Kate Worden MLA, Chair



Finance and Administration Committee (Qld)

Jurisdiction report - ACPAC conference

Brisbane April 2017

This jurisdiction report covers the activities of the Finance and Administration Committee since the commencement of the 55th Parliamentary term in March 2015.

Jurisdiction

The Finance and Administration Committee of the 55th Parliament was established by the Queensland Legislative Assembly on 27 March 2015 as a portfolio committee with responsibility for the following areas:

- Premier, Cabinet and the Arts
- Treasury and Trade and Investment, and
- Employment, Industrial Relations, Racing and Multicultural Affairs

In relation to its areas of responsibility, the committee examines bills and subordinate legislation to consider and report on the policy to be enacted, the application of the fundamental legislative principles set out in section 4 of the *Legislative Standards Act 1992*, and the lawfulness of subordinate legislation. This term the committee has considered and reported on 20 bills and presented 10 reports on subordinate legislation.

The committee holds hearings and considers the budget estimates for each Government Department.

With respect to public accounts and public works, the committee:

- assesses the public accounts of each department in regard to the integrity, economy, efficiency and effectiveness of financial management by examining government financial documents, and considers the annual and other reports of the Auditor-General.
- considers departments' public works in light of matters including, but not limited to the:
 - suitability of the works for the purpose,
 - necessity for the works,
 - value for money of the works,
 - revenue produced by, and recurrent costs of, the works, or estimates of revenue and costs,
 - present and prospective public value of the works,
 - procurement methods used for the works, and
 - actual suitability of the works in meeting the needs in and achieving the stated purpose of the works.

The committee also has a monitor and review function in relation to the performance of the functions of the Auditor-General, the Integrity Commissioner and the Queensland Family and Child Commission. In December 2015, the committee reported on the strategic review of the Integrity Commissioner.

The committee may commence its own-motion inquiries and must inquire into any issue referred to it by the Legislative Assembly or under an Act, whether or not the issue is within the committee's areas of responsibility. The committee has reported on five inquiries regarding the introduction of four-year parliamentary terms, the independence of the Auditor-General, the strategic review of the Integrity Commissioner, the labour hire industry in Queensland and regulation of combat sports.

Public accounts

The committee has not undertaken any public accounts inquiries this term.

As part of its public accounts work, the committee considers reports of the Auditor-General. Once tabled in the Legislative Assembly, the Committee of the Legislative Assembly (CLA) refers the reports to the relevant

portfolio committee pursuant to Standing Order 194B. Given portfolio committees' legislative scrutiny workloads, usually within timeframes prescribed by the House of the CLA, it is not possible for portfolio committees to undertake an inquiry into and report on every Auditor-General report. The Committee of the Legislative Assembly recently reported on a review of the committee system and noted:

The CLA also notes that it does not believe it is neither possible nor essential that each portfolio committee enquires into or reports on every Auditor-General Report, public accounts matter or public works issue within the portfolio committee's area of responsibility. Each portfolio committee must necessarily make choices as to the use of its resources and prioritise its inquiries.¹

This term, six reports of the Auditor-General were referred to the committee for its consideration.

In March 2017 the committee held public briefings and hearings with the Queensland Audit Office and the Department of Housing and Public Works regarding the Auditor-General's *Report to Parliament no 1 of 2016-17: Strategic Procurement*.² The committee resolved to keep a watching brief regarding this matter and reassess the situation in six months.

Deborah Jeffrey, former Finance and Administration Committee Research Director, is currently an Inquiry Secretary to assist committees to identify and undertake public accounts and public works inquiries.

Oversight of the Auditor-General

Appointment of Auditor-General

Following the resignation of Mr Andrew Greaves as Auditor-General in July 2016, the committee was consulted on the process for and the recent appointment of Queensland's new Auditor-General. The Act is silent on what constitutes consultation. In accordance with past practice, the Chair participated in the selection panel for the appointment. Mr Brendan Worrall will commence in the role in early July 2017.

Strategic Review of the Queensland Audit Office

On 23 March 2017, the Premier tabled the report of Phillippa Smith and Graham Carpenter on their strategic review of the Queensland Audit Office.³ The report was referred to the Committee in accordance with the *Auditor-General Act 2009* and the *Parliament of Queensland Act 2001*. The Committee will hold a public and private briefing with Ms Smith and Mr Carpenter on 19 April 2017 as part of its consideration of their review and recommendations.

Inquiry into the legislative provisions regarding the independence of Queensland's Auditor-General

In June 2016, the committee tabled a report regarding an inquiry into the legislative arrangements regarding the independence of Queensland's Auditor-General. The committee tabled the report on this work, commenced by the committee in the previous term, to allow the strategic review to proceed without a parallel inquiry regarding the Queensland Audit Office being undertaken at the same time.

The committee noted that nothing prevented it from holding a future inquiry into these matters following the completion of the strategic review. It is possible that the committee may consider issues raised during that inquiry as part of its consideration of the strategic review report and recommendations.

Strategic plan and strategic audit plan

The committee is consulted each year on the QAO strategic plan and on the strategic audit plan. Normally, the committee will seek input from other portfolio committees regarding any suggestions for the strategic audit plan before it considers the final draft plan. The committee is currently consulting on the proposed draft plan for 2017-20.

¹ Committee of the Legislative Assembly, Report No. 17, *Review of the Parliamentary Committee System*, February 2016, at 19

² See: <http://www.parliament.qld.gov.au/documents/tableOffice/TabledPapers/2016/5516T1586.pdf>

³ P Smith and G Carpenter, *Strategic Review of the Queensland Audit Office*, March 2017, available at: <http://www.parliament.qld.gov.au/documents/tableOffice/TabledPapers/2017/5517T493.pdf>



Parliament of South Australia Economic and Finance Committee

Activity Report 2015-2017

Biennial ACPAC Conference Brisbane, 19-21 April 2017

Background on the Economic and Finance Committee

Pursuant to the *Parliamentary Committees Act 1991 (SA)*, the Economic and Finance Committee enquires into matters referred to it under the following general terms of reference:

- any matter concerned with finance and economic development;
- any matter concerned with the structure, organisation and efficiency of any area of public sector efficiency, including how efficiency or service delivery may be enhanced;
- any matter concerned with the functions or operations of a particular public officer or State instrumentality or publicly funded body including whether it should continue to exist or changes should be made to improve efficiency or effectiveness (statutory authorities are excluded from this provision);
- any matter concerned with the regulation of business or other economic or financial activity or whether such regulation should be retained or modified.

The Committee has wide powers to investigate the Executive Branch of Government. It works in cooperation with the Auditor-General and may follow up any matters raised in his reports to Parliament, as well as a broad range of issues at its own initiative.

Committee Membership

The period between biennial ACPAC conferences has involved a number of membership changes to the Economic and Finance Committee. The current membership of the Committee is as follows:

Mr Lee Odenwalder MP (Presiding Member)
Hon Paul Caica MP
Hon Jennifer Rankine MP
Hon Tony Piccolo MP
Mr Sam Duluk MP
Mr Stephan Knoll MP
Mr Vincent Tarzia MP

Committee Activity

In addition to the Committee's annual statutory functions, the main inquiries of note for this activity report are as follows:

Local Government Rate Capping Inquiry

The Committee resolved, on 15 May 2015, to inquire into and report on local government rate capping policies. Submissions were sought to identify rate capping policies and practice elsewhere in Australia, including peer review of such and other related matters.

The Committee received twenty-one written submissions in total, held five public hearings and heard testimony from twenty-three witnesses. The written submissions received from those involved in local government (with only one exception) and academics were strongly opposed to a rate cap, while those received from individual rate payers were generally in favour.

The Committee tabled its Report in this Inquiry on 6 July 2016, with its principal recommendation that local councils retain full authority to set their own rates (which should be set following community consultation) and that no rate cap be introduced. The Committee also recommended that councils be subjected to a thorough auditing process under the auspices of the Auditor-General, with audit results to be published annually. The Minister for Local Government supported the Committee's principal recommendation, however, he is currently conducting further research and consultation on the recommendations concerning the role of the Auditor-General in auditing local councils.

Labour Hire Industry Inquiry

On 11 June 2015, the Committee resolved to inquire into and report on practices in the South Australian labour hire industry. Submissions were sought to aid the Committee in identifying exploitation and harassment of workers, irregularities in the payment of wages and government levies, and methods to make the industry fairer and safer. This Inquiry arose out of the revelations airing on the ABC *Four Corners* programme on 4 May 2015, which also led to inquiries on this topic by the Queensland Parliament, the Victorian Government and a Senate Committee Inquiry.

The Committee received a total of eleven written submissions in the Inquiry. The Committee also heard oral testimony from more than 30 witnesses and travelled to the Riverland (Berri and Renmark) to hear from regional organisations and employers over two days in March 2016.

The Committee's central recommendation arising out of the evidence received was for a Federal licencing scheme to be introduced for the labour hire industry, as was the recommendation arising out of the Victorian and Federal Senate inquiries. Those inquiries agreed that a national licensing scheme for labour hire providers would provide the benefit of national consistency for all operators. In the absence of a Federal scheme, the Committee recommended that the South Australian Government introduce a state-based scheme.

The South Australian Minister for Industrial Relations considered the Committee's recommendations and agreed that a national scheme is preferable, however noted the Commonwealth Government's lack of support for a national licensing scheme. The Minister has requested that this issue be placed on the Council of Australian Governments (COAG) agenda, and advised that South Australia is currently working with Victoria and Queensland to explore consistent state-based licensing schemes.

Auditor-General

The Committee met with the Auditor-General on a number of occasions, in relation to his Annual Reports. This process allowed the Committee to request the Auditor-General for further explanation on issues highlighted in his Reports, which was forthcoming at all times.

Other activities of note

In addition to its major inquiries, the Committee also held hearings on a variety of matters including with the Office of Sport and Recreation about the Sport and Recreation Fund's program expenditure and with Emergency Service providers to discuss the expenditure funded by the Emergency Services Levy.

On 28 January 2016 the Committee received notice from the Minister for Recreation and Sport pursuant to section 73A(4) of the *Gaming Machines Act 1992*, proposing to make a direction for additional funds received from the Adelaide Oval SMA Limited to be allocated to the Sport and Recreation Fund. The Committee supported the proposed approach in a written response to the Minister.

Section 15 of the *Health and Community Services Complaints Act 2004* required that the Health and Community Services Complaints Commissioner submit his/her proposed budget to the Committee on an annual basis. On 28 October 2014, the Committee recommended that the Minister for Health transfer the budget examination to the Social Development Committee. Subsequently, the Minister for Health introduced a Bill to amend the *Health and Community Services Complaints Act 2004*, which concluded the statutory requirement of the Economic and Finance Committee to examine the Health and Community Services Complaints Commissioner's annual budget.

Mr Lee Odenwalder MP

Presiding Member

Economic and Finance Committee

Parliament of South Australia



Parliament of
South Australia

**STATUTORY AUTHORITIES REVIEW
COMMITTEE**

JURISDICTION REPORT

FOR

**AUSTRALASIAN COUNCIL OF PUBLIC
ACCOUNTS COMMITTEES
BIENNIAL CONFERENCE 2017**

BACKGROUND

History of the Committee

The Statutory Authorities Review Committee ('Committee') is a multi-partite Parliamentary Committee. It was established as a permanent standing committee of the Legislative Council in 1994.

Functions of the Committee

The functions of the Committee, as defined under Section 15C of the *Parliamentary Committees Act 1991* (SA) are:

- (a) to inquire into, consider and report on any statutory authority referred to it under this Act, including—
 - (i) the need for the authority to continue in existence;
 - (ii) the functions of the authority and the need for the authority to continue to perform those functions;
 - (iii) the net effect of the authority and its operations on the finances of the State;
 - (iv) whether the authority and its operations provide the most effective, efficient and economical means for achieving the purposes for which the authority was established;
 - (v) whether the structure of the authority is appropriate to its functions;
 - (vi) whether the functions or operations of the statutory authority duplicate or overlap in any respect the functions or operations of another authority, body or person;
- (b) to perform such other functions as are imposed on the Committee under this or any other Act or by resolution of both Houses.

COMMITTEE ACTIVITIES SINCE 2015 ACPAC BIENNIAL CONFERENCE

The Committee has completed inquiries into the State Procurement Board, the Motor Accident Commission and the Environment Protection Authority's Management of Contamination at Clovelly Park and Mitchell Park.

The Committee is currently undertaking inquiries into TAFE SA and the Economic Development Board.

A summary of each Inquiry is set out below.

1. Inquiry into the State Procurement Board

The State Procurement Board (Board) came into effect in 2005 under the *State Procurement Act 2004* (SA). The Board regulates the procurement operations of South Australian public authorities in accordance with this Act.

The Committee resolved to inquire into and report on the practices and processes of the Board and any other relevant matters, in response to concerns arising from some sections of the community regarding the Across Government Stationery Contract. This stationery contract commenced on 1 October 2012 for a three year term and mandated the purchase of stationery and related products across-government from two stationery suppliers, Staples and OfficeMax.

During the Inquiry, the Committee received evidence which broadly fell into two categories; firstly, specific concerns about the tender process for the stationery contract and secondly, broader concerns about the Board. Under its legislation, the Committee is charged with a remit to consider the functions, structure and operations of statutory authorities and as such, the Committee considered the stationery contract as a case study of the Board's operations.

The Committee tabled its final Inquiry report in December 2015. The report made recommendations to address issues arising from the stationery contract and broader concerns about the structure of the Board. The recommendations related to Board membership and on reviewing how small and medium sized businesses could better participate in government procurement.

2. Inquiry into the Environment Protection Authority's Management of Contamination at Clovelly Park and Mitchell Park

The Environment Protection Authority ('EPA') was established by the *Environment Protection Act 1993* (SA). It is the primary independent regulator for environment protection in South Australia. The EPA is responsible for the protection of air and water quality, and the control of pollution, waste, noise and radiation.

In July 2014 the Committee commenced an Inquiry into the EPA's management of contamination in a particular area of two adjoining southern Adelaide suburbs, Clovelly Park and Mitchell Park. The Inquiry was focused on the assessment and management of risks to public health by the EPA and related agencies.

The Committee's Inquiry report made various recommendations for the EPA and the State Government to consider in the future management of contaminated sites. These recommendations related to community engagement, public health, local government engagement and State Government coordination of site contamination.

3. Inquiry into the Motor Accident Commission

The Motor Accident Commission ('MAC') was established by the *Motor Accident Commission Act 1992* (SA). Until 30 June 2016, MAC was the sole provider of compulsory third party insurance ('CTPI') in South Australia. From 1 July 2016, MAC ceased to underwrite new CTPI policies and the provision of CTPI was opened to the private sector.

In July 2015 the Legislative Council resolved for the Committee to inquire into MAC. The purpose of the Inquiry was to investigate the privatisation of the state's CTPI scheme.

Submissions to the Inquiry expressed concerns regarding the efficiency of a privatised scheme, insurer profitability, affordability of insurance premiums and the availability of ongoing funding for road safety initiatives.

In its Inquiry report, the Committee recommended that the Compulsory Third Party Insurance Regulator develop mechanisms to promote transparency in its regulation of approved insurers.

4. Inquiry into TAFE SA

In May 2016 the Committee resolved to inquire into TAFE SA. The Inquiry is ongoing.

5. Inquiry into the Economic Development Board

In May 2016 the Committee resolved to inquire into the Economic Development Board. The Inquiry is ongoing.



The Hon. John Gazzola MLC
Presiding Member
Statutory Authorities Review Committee
20 February 2017

ACPAC 2017

Jurisdiction update – Public Accounts and Estimates Committee, Parliament of Victoria

There are six aspects of the Committee's work that may be of interest to other jurisdictions:

1. Budget Outcomes hearings

For the second year in a row the Committee held Budget Outcomes hearings this year. The Secretaries of each of the seven departments were invited to appear before the Committee, along with other executives such as the Chief Commissioner of Police and Commissioner for Corrections. The hearings ran for three hours each and followed a Budget Estimates hearing format. Follow up material was gathered through questions on notice, augmenting the information gathered via a questionnaire prior to the hearings.

The Committee's review of the budget outcomes aims to improve the accountability of Victorian government departments and agencies, and provide Parliament and the community with more meaningful information about the results achieved in the preceding financial year. The intention of the follow up process is to complement the Committee's initial review of the Budget Estimates.

2. Investigation into allegations made against the former Auditor-General

The Committee found itself in uncharted waters when the Presiding Officers referred a complaint against the former Auditor-General (Mr John Doyle) by a member of VAGO staff, to the Committee to consider on 17 August 2015. The Committee subsequently asked the Parliament to refer the terms of reference to the Committee for investigation. The terms of reference were received by PAEC a day later on 18 August 2015. In part, the terms of reference stated '*in light of any findings that the Committee may make in relation to the allegations, the Parliament should give consideration to the removal of the Auditor-General from office*'.

The Committee engaged a retired High Court of Australia Judge – Mr Ken Hayne QC AM – to carry out the investigation. The Victorian Government Solicitor's Office supported Mr Hayne undertake his investigation and provided advice to the Committee. The former Auditor-General resigned prior to the tabling of the Committee's report.

3. Inquiry into National Partnership Agreements (tabled June 2016)

In 2015-16 Commonwealth Government Grant revenue accounted for 45 per cent of Victoria's overall revenue. Over a third of Commonwealth funding was administered through National Partnership Agreements. The Committee received this inquiry reference from the Legislative Assembly in May 2015.

The Committee found that NPAs are most effective when they:

- are restricted to funding special projects, reforms to systems or for 'once-off' assistance
- set out clear, mutually agreed performance measures and benchmarks

- clarify the roles and responsibilities of each of the jurisdictions
- provide the State with flexibility in how projects and services are delivered to achieve the agreed performance outputs or outcomes.

The Committee concluded that the establishment and administration of some NPAs appeared contrary to the intent and principles in the Intergovernmental Agreement on Federal Financial Relations with:

- short-term funding allocated to support ongoing services
- over prescription in and increasing number of funding agreements
- an accountability and reporting burden for the state.

The Committee also found that NPAs impacted on service delivery in Victoria arising from:

- uncertainty around future funding
- lack of a transparent model for indexation of funding agreements
- unanticipated funding changes.

4. Committee membership and Secretariat changes

Currently five different political parties are represented on the Committee – Australian Labor Party, Liberal Party, The Nationals, Victorian Greens and the Australian Sex Party. Four of the nine Members are Government Members. Only two Committee members have previously been Members of Parliament. This has created challenges in terms of loss of ‘corporate memory’ but also presented opportunities. The Committee also has a new Executive Officer who commenced working for the Committee in mid January.

5. Parliamentary Budget Officer

There is currently an amended bill before the Parliament regarding the appointment of a Parliamentary Budget Officer. The Committee would be keen to liaise with jurisdictions who have experience in appointing and overseeing such an office.

6. Briefing by Saul Eslake

The Committee sought a briefing from Saul Eslake on the importance of productivity growth as a driver of Victoria’s economy in August 2016.

Saul Eslake provided some interesting insights into ‘top’ down reasons for Victoria’s poor labour productivity performance. For example, labour productivity growth has slowed and across a larger proportion of the Victorian economy than has been the case nationally. The Committee also explored ‘bottom up’ reasons for Victoria’s below-average labour productivity such as infrastructure deficits, work practices, management practices and regulation. The briefing informed the Committee’s work on the 2016-17 Budget Estimates.

ACPAC Biennial Conference 2017 – Jurisdictional Report: Public Accounts Committee (WA)

New committee yet to be formed

The Public Accounts Committee (PAC) of the 39th Parliament met for the last time on 16 November 2016 before the Legislative Assembly was dissolved on 30 January 2017.

At the State Election held on 11 March 2017, the Liberal Party (which had governed for eight-and-a-half years in partnership with the National Party) was comprehensively defeated. Currently, it appears the Labor Party will hold 41 of the Assembly's 59 seats in the next session of Parliament, which is expected to commence in May.

The new standing committees are not likely to be reconstituted until early June and it is highly likely the PAC will reform with a Labor Government majority membership and a Labor chair.¹ When the new PAC is formed, and the Chair is confirmed, we will provide the updated details to the ACPAC Secretariat.

Final work of the previous committee

Follow-Up of Auditor General Reports

In 2016, the Committee continued its follow-up of agency responses to Auditor General performance audit recommendations. The results of 15 separate audit follow-ups were summarised in the Committee's fifth and final omnibus report, which was tabled the day after the Committee's final meeting. Over the course of the four-year parliamentary term, the Committee sought and considered the responses of 124 agencies across 55 separate audit reports.

ICT Inquiry

The majority of the Committee's attention throughout 2016 was focused on completing its *Inquiry into ICT Procurement and Contract Management*. The inquiry was conducted over an 18-month period and the Committee pursued two primary lines of investigation:

1. How to improve government delivery of ICT goods and services.
2. How to improve the experience for users of public services through innovative ICT solutions.

Much of the inquiry's focus was directed towards the new WA Office of the Government Chief Information Officer (WAGCIO), an agency that was established around the same time the Committee's inquiry was announced. The WAGCIO came into operation on 1 July 2015 and has been given responsibility for a sweeping program of ICT reform, which includes improving the outcomes associated with ICT investment. The Committee was supportive of the decision to establish the WAGCIO and used the inquiry to see what insights could be drawn from the experiences of similar offices already operating in other jurisdictions (e.g. New Zealand and Queensland).

¹ In the 38th Parliament (2008-2012), a minority Liberal/National partnership government entered into an agreement with the Labor Party to allow the PAC to have an Opposition majority and Chair. This arrangement was unwound in the last Parliament when the Liberal Party acquired an outright majority in the Legislative Assembly.

In its final report, entitled “[Doing ICT Better](#)”, the Committee commended the WAGCIO on its efforts to date, but expressed concern regarding the ongoing sustainability of the Office in its current form (with just 15 staff).²

The report also looked at the WAGCIO’s current efforts to establish a whole-of-government ICT procurement model using “as-a-service” or consumption-based pricing as a cheaper and more efficient alternative to the traditional approach of agencies owning and operating ICT assets. Under the WAGCIO’s GovNext-ICT plan, three contractors will offer a variety of common ICT infrastructure services (including cloud-based technologies) on demand. This will allow agencies to pay only for what they need, as they need it, under a single price for government.

GovNext-ICT is based on the “common-capability contract” model that has been progressively rolled out in New Zealand since 2009 and has so far generated NZD\$250 million in savings by way of future costs avoided. The Committee expressed its support for the concept of the GovNext-ICT, but argued that it will require rigorous oversight and ongoing portfolio management with the founding contracts valued at as much as \$3 billion over five years. As a consequence, the Committee wrote to the Auditor General asking him to consider examining the initial implementation period of GovNext-ICT as part of his audit program for 2017.

The Committee’s report considered a range of other matters including the quality of governance structures within agencies when it comes to the oversight of ICT projects and programs. The Committee called for a stronger enforcement of Gateway reviews after the Finance Department confirmed that they were a valuable but under-utilised process within the WA public sector.

Agency Dressed Down for Failing to Implement Committee Recommendations

The Committee also released a short and scathing report on the frustrations it endured in dealing with a government agency that had failed to follow through on undertakings to implement recommendations from an earlier Committee report. Members took the opportunity in their tabling speeches to condemn the agency, the Housing Authority, for failing to show due respect to the committee process, and their role as parliamentarians.³ Following the tabling of the report, the Housing Minister acknowledged that the agency’s conduct did not meet his expectations.⁴

Attempts to expand Auditor General’s powers delayed

Following recommendations made by the Committee and WA’s Corruption and Crime Commission in separate 2015 reports⁵, the Government prepared legislation to give the Auditor General responsibility for the financial audit of local governments and powers to conduct performance audits. The Local Government Amendment (Auditing) Bill 2016 was introduced on 25 August 2016, but did not proceed any further before the Parliament was dissolved. While there appeared to be strong bipartisan support for these reforms, it is not yet clear whether the new Labor Government will make the reintroduction of this Bill a legislative priority.

Tim Hughes
Principal Research Officer

² The Committee’s report can be accessed at: <http://bit.ly/2cv5m3X>.

³ The transcript of the members’ speeches (5 pages) is available at: <http://bit.ly/2mLV4Q8> and the Committee’s report can be accessed at: <http://bit.ly/28WifA1>.

⁴ Dylan Caporn, ‘Housing Authority Berated’, *West Australian*, 24 June 2016, p. 23.

⁵ Corruption and Crime Commission (WA), *Report on Misconduct Risk in Local Government Procurement*, 4 February 2015; Public Accounts Committee, *Improving Local Government Accountability*, Report No. 12, November 2015.

Jurisdiction Report

Legislative Council of Western Australia

In 2016, the Legislative Council Standing Committee on Estimates and Financial Operations finalised its inquiry into the provision of information to the Parliament. In Western Australia, the *Financial Management Act 2007* sets out a process for when a Minister decides to not provide information to the Parliament. The inquiry examined that regime and made recommendations to improve its performance. The Committee undertook routine work to examine the budget and agency annual reports.”

Also, the Joint Standing Committee on Audit, which comprises the Legislative Assembly Public Accounts Committee and the Legislative Council Standing Committee on Estimates and Financial Operations, finished its inquiries into the *Financial Management Act 2007*, and the performance of the Auditor General and the effectiveness of the *Auditor General Act 2007*. I am not sure whether this work is of interest to ACPAC Members.



PUBLIC ACCOUNTS COMMITTEE – FIJI

JURISDICTION REPORT



Background

The Standing Committee on Public Accounts in the Fiji Parliament is mandated under the Standing Orders to scrutinise the accounts of the Government of the Republic of Fiji.

Authority under Standing Orders

Standing Order 109(2) (d) mandates the Committee to “...– including examining the accounts of the Government of the Republic of Fiji in respect of each financial year and reports of the Auditor-General, and for any other matter relating to the expenditures of the Government of the Republic of Fiji or any related body or activity (whether directly or indirectly) that the committee sees fit to review. The committee must only examine how public money has been dealt with and accounted for in accordance with the written law and must not examine the merits of the underlying policy that informs public spending”

Committee Membership

The Standing Committee of Public Accounts comprises of five (5) Members of which three (3) are the Government Members and the remaining two (2) are Opposition Members. The period between the biennial ACPAC conferences saw a number of changes in the membership of the Standing Committee of Public Accounts. Also, in 2016, the Standing Orders was amended which now allows for a Government Member to also be a Chairperson of the Standing Committee on Public Accounts.

The current membership of the Standing Committee on Public Accounts effective from 12th May 2016 is as follows:

Hon. Ashneel Sudhakar (Chairperson)
Hon. Mohammed M.A. Dean (Deputy Chairperson)
Hon. Alexander O'Connor (Member)
Hon. Aseri Radrodro (Member)
Hon. Ratu Sela Nanovo (Member)

Focus

The Committee focuses on how public money has been dealt with and accounted for in accordance with the written law and must not examine the merits of the underlying policy that informs public spending.

Office of the Auditor General's Reports tabled in Parliament

The Public Accounts Committee has been tasked by the Parliament to consider the reports from the Office of the Auditor General. The Office of the Auditor General has tabled sixty-one (61) Audit Reports to the Parliament to date and they all have been referred to the Standing Committee on Public Accounts for scrutiny. The *List of Reports tabled by the Office of the Auditor General* is attached herein as **Appendix 1**.

Examination of the Auditor-General's Reports tabled in Parliament

The Standing Committee on Public Accounts has completed the scrutiny and review of forty-nine (49) out of the sixty-one (61) Audit Reports from the Office of the Auditor General. However the Committee is yet to report on some of these Audit Reports. The forty-nine (49) Audit Reports reviewed by the Committee included the Whole of Government Accounts from 2007 to 2013 and 2009 to 2013 Accounts of Government Commercial Companies, Commercial Statutory Authorities, State-owned Entities and Off-budget Entities.

Currently the Committee is in the process of scrutinizing the 2014 and 2015 Financial Accounts of the Whole of Government and the individual Ministries and Departments of the Executive.

Reports tabled back to the Parliament by the Committee to date:

- 1) Report titled "No More Repeats" (Parliamentary Paper No. 24 of 2015)¹
- 2) Report of the Public Accounts Committee on the Audits of Government Commercial Companies and Commercial Statutory Authorities 2009-2013 – Volume 1 (Parliamentary Paper No. 86 of 2016)²

Reports to be tabled back to the Parliament by the Committee in the April (24th – 28th) 2017 Parliament Sitting:

- 1) Report of the Public Accounts Committee on the Audits of Government Commercial Companies and Commercial Statutory Authorities 2009-2013 (Volume Two of Three)
- 2) Report of the Public Accounts Committee on the Audits of Government Commercial Companies and Commercial Statutory Authorities 2009-2013 (Volume Three of Three)

¹ Report can be accessed on the following link: <http://www.parliament.gov.fj/getattachment/Parliament-Business/Select-Committees/Standing-Committee-on-Public-Accounts/PAC-2015-2007-2009-Report.pdf.aspx>

² Report can be accessed on the following link: <http://www.parliament.gov.fj/getattachment/Parliament-Business/Select-Committees/Standing-Committee-on-Public-Accounts/pac-report.pdf>

Appendix 1

List of Reports tabled by the Office of the Auditor General

	PP No.	REPORT
2007		
1.	<i>6 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 1 – Audit Report on the Whole of Government Financial Statements and Annual Appropriation Statement 2007
2.	<i>7 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 2 – Audit Report on Government Ministries and Departments 2007
3.	<i>8 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 3 – Audit Report on Government Ministries and Departments 2007
4.	<i>9 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 4 – Audit Report on Government Ministries and Departments 2007
2008		
5.	<i>10 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 1 – Audit Report on the Whole of Government Financial Statements and Annual Appropriation Statement 2008
6.	<i>11 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 2 – Audit Report on Government Ministries and Departments 2008
7.	<i>12 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 3 – Audit Report on Government Ministries and Departments 2008
8.	<i>13 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 4 – Audit Report on Government Ministries and Departments 2008
2009		
9.	<i>14 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 1 – Audit Report on the Whole of Government Financial Statements and Annual Appropriation Statement 2009
10.	<i>15 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 2 – Audit Report on Government Ministries and Departments 2009
11.	<i>16 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 3 – Audit Report on Government Ministries and Departments 2009
12.	<i>17 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 4 – Audit Report on Government Ministries and Departments 2009

	PP No.	REPORT
13.	<i>18 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 5 – Audit Report on Government Ministries and Departments 2009
14.	<i>26 of 2016</i>	Report of the Auditor-General of the Republic of Fiji – Audits of Commercial Companies, Commercial Statutory Authorities, Majority Owned Entities – February 2009
15.	<i>27 of 2016</i>	Report of the Auditor-General of the Republic of Fiji – Audits of Government Commercial Companies, Commercial Statutory Authorities, Majority Owned Entities – Off-Budget State Entities – December 2009.
16.	<i>28 of 2016</i>	Report of the Auditor-General of the Republic of Fiji – Audits of Government Commercial Companies and Commercial Statutory Authorities – June 2009.
17.	<i>29 of 2016</i>	Report of the Auditor-General of the Republic of Fiji – Audits of Statutory Authorities – June 2009.
2010		
18.	<i>19 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 1 – Audit Report on the Whole of Government Financial Statements and Annual Appropriation Statement 2010
19.	<i>20 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 2 – Audit Report on Government Ministries and Departments 2010
20.	<i>21 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 3 – Audit Report on Government Ministries and Departments 2010
21.	<i>22 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 4 – Audit Report on Government Ministries and Departments 2010
22.	<i>30 of 2016</i>	Report of the Auditor-General of the Republic of Fiji – Audits of Government Commercial Companies, Commercial Statutory Authorities, Majority Owned Entities, Off-Budget State Entities – December 2010.
23.	<i>31 of 2016</i>	Report of the Auditor-General of the Republic of Fiji – Audits of Government Commercial Companies, Commercial Statutory Authorities, Majority Owned Entities and Off-Budget State Entities – June 2010.
24.	<i>32 of 2016</i>	Report of the Auditor-General of the Republic of Fiji – Audits of Statutory Authorities – December 2010.
25.	<i>33 of 2016</i>	Report of the Auditor-General of the Republic of Fiji – Audits of Statutory Authorities – June 2010
2011		
26.	<i>23 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 1 – Audit Report on the Whole of Government Financial Statements and Annual Appropriation Statement 2011

	PP No.	REPORT
27.	<i>24 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 2 – Audit Report on Government Ministries and Departments 2011
28.	<i>25 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 3 – Audit Report on Government Ministries and Departments 2011
29.	<i>26 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 4 – Audit Report on Government Ministries and Departments 2011
30.	<i>34 of 2016</i>	Report of the Auditor-General of the Republic of Fiji – Audits of Government Commercial Companies, Commercial Statutory Authorities, Off-Budget State Entities, Majority Owned Entities, Provincial Councils, and Special Projects – December 2011.
31.	<i>35 of 2016</i>	Report of the Auditor-General of the Republic of Fiji – Audits of Government Commercial Companies, Commercial Statutory Authorities, and Off-Budget State Entities – June 2011.
32.	<i>36 of 2016</i>	Report of the Auditor-General of the Republic of Fiji – Audits of Statutory Authorities – December 2011.
33.	<i>37 of 2016</i>	Report of the Auditor-General of the Republic of Fiji – Audits of Statutory Authorities – June 2011
2012		
34.	<i>27 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 1 – Audit Report on the Whole of Government Financial Statements and Annual Appropriation Statement 2012
35.	<i>28 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 2 – Audit Report on Government Ministries and Departments 2012
36.	<i>29 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 3 – Audit Report on Government Ministries and Departments 2012
37.	<i>30 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 4 – Audit Report on Government Ministries and Departments 2012
38.	<i>38 of 2016</i>	Report of the Auditor-General of the Republic of Fiji – Audits of Government Commercial Companies, Commercial Statutory Authorities, Off-Budget State Entities and Majority Owned Entities – December 2012.
39.	<i>39 of 2016</i>	Report of the Auditor-General of the Republic of Fiji – Audits of Government Commercial Companies, Commercial Statutory Authorities, Off-Budget State Entities and Majority Owned Entities – June 2012 .
40.	<i>40 of 2016</i>	Report of the Auditor-General of the Republic of Fiji – Audits of Statutory Authorities – December 2012.
41.	<i>41 of 2016</i>	Report of the Auditor-General of the Republic of Fiji – Audits of Statutory Authorities – June 2012.

	PP No.	REPORT
2013		
42.	<i>2 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 1 – Audit Report on the Whole of Government Financial Statements and Annual Appropriation Statement 2013
43.	<i>3 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 2 – Audit Report on Government Ministries and Departments 2013
44.	<i>4 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 3 – Audit Report on Government Ministries and Departments 2013
45.	<i>5 of 2014</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 4 – Audit Report on Government Ministries and Departments 2013
46.	<i>45 of 2016</i>	Report of the Auditor-General of the Republic of Fiji – Audits of Government Commercial Companies, Commercial Statutory Authorities, Majority Owned Entities – Off-Budget State Entities – June 2013.
47.	<i>46 of 2016</i>	Report of the Auditor-General of the Republic of Fiji – Audits of Statutory Authorities – June 2013.
2014		
48.	<i>1 of 2015</i>	Report of the Auditor - General of the Republic of Fiji - Audit Report on Municipal Councils - December 2014
49.	<i>2 of 2015</i>	Report of the Auditor - General of the Republic of Fiji - Audit Report on Statutory Authorities - December 2014
50.	<i>3 of 2015</i>	Report of the Auditor- General of the Republic of Fiji - Audit Report on Government Commercial Companies, Commercial Statutory Authorities, Majority Owned Entities, Off- Budget State Entities - December 2014
51.	<i>4 of 2015</i>	Report of the Auditor-General of the Republic of Fiji - Audit Report on Special Projects - December 2014
52.	<i>5 of 2015</i>	Report of the Auditor - General of the Republic of Fiji - Audit Report on Performance Audits - Volume 1 - December 2014
53.	<i>6 of 2015</i>	Report of the Auditor - General of the Republic of Fiji - Audit Report on performance Audits - Volume 2 - December 2014
54.	<i>63 of 2015</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 1 – Audit Report on the Whole of Government Financial Statements and Annual Appropriation Statement 2014
55.	<i>64 of 2015</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 2 – Audit Report on Government Ministries and Departments 2014
56.	<i>65 of 2015</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 3 – Audit Report on Government Ministries and Departments 2014
57.	<i>66 of 2015</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 4 – Audit Report on Government Ministries and Departments 2014

	PP No.	REPORT
2015		
58.	<i>58 of 2017</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 1 – Audit Report on the Whole of Government Financial Statements and Annual Appropriation Statement 2015
59.	<i>59 of 2017</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 2 – Audit Report on Government Ministries and Departments 2015
60.	<i>60 of 2017</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 3 – Audit Report on Government Ministries and Departments 2015
61.	<i>61 of 2017</i>	Report of the Auditor General of the Republic of the Fiji Islands Volume 4 – Audit Report on Government Ministries and Departments 2015